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ILLINOIS COMMERCE COMMISSION

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STATE OF ILLINOIS

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ILLINOIS COMMERCE COMMISSION CHIEF CLERK'S OFFICE

COMMONWEALTH EDISON COMPANY,

Petition pursuant to Section 7-101 of the Public
Utilities Act for consent to enter into a credit
agreement to which affiliated interests are parties.

01-0779

VERIFIED PETITION

To the Illinois Commerce Commission:

Commonwealth Edison Company ("ComEd") hereby petitions the Illinois Commerce Commission ("Commission"), pursuant to Section 7-101 of the Public Utilities Act ("Act") (220 ILCS 5/7-101), for consent to enter into a credit agreement to which affiliated interests are parties. In support of this Petition, ComEd states as follows:

1. ComEd is a corporation organized and existing under the laws of the State of Illinois. ComEd is a public utility providing electric service to customers in the State of Illinois.

2. PECO Energy Company ("PECO") is a corporation organized and existing under the laws of the State of Pennsylvania. PECO is a public utility providing electric service to customers in the State of Pennsylvania.

3. Bank One, NA ("Bank One"), headquartered in Chicago, Illinois, is a national banking association.

4. ComEd and PECO are direct subsidiaries of Exelon Energy Delivery ("EED"), a corporation organized and existing under the laws of Delaware, and indirect subsidiaries of Exelon Corporation ("Exelon"), a corporation organized and existing under the laws of the State

of Pennsylvania. Accordingly, PECO, EED and Exelon are "affiliated interests" of ComEd as that term is defined in Section 7-101 of the Act (220 ILCS 5/7-101).

5. A director of Exelon is also a director of Bank One. Accordingly, Bank One is an "affiliated interest" of ComEd as that term is defined in Section 7-101 of the Act (220 ILCS 5/7-101).

6. On December 19, 2000, ComEd, PECO and Exelon entered into a credit agreement (the "364-day credit agreement") with Bank One as agent (the "Agent") for itself and nineteen other financial institutions (the "Banks").

7. Other than Bank One, none of the Banks are currently an "affiliated interest" of ComEd as that term is defined in Section 7-101 of the Act (220 ILCS 5/7-101). However, it is possible that, from time to time, ComEd, EED or Exelon may become affiliated with other parties to the credit agreements through changes in their officers or directors or through changes in the affiliations of their officers or directors. Similarly, there is the possibility that one or more financial institutions may "take over" the commitments of a Bank. Accordingly, it is possible that such other financial institution(s) may be affiliated with ComEd, EED or Exelon.

8. The 364-day credit agreement was effective as of December 19, 2000. Subject to the terms and conditions set forth therein, the 364-day credit agreement (attached as Exhibit A) expires on December 18, 2001, or on a later date if an extension is agreed to by the parties. *See Exhibit A at § 2.17.*

9. The 364-day credit agreement is a type of agreement sometimes referred to as a "revolving credit agreement." Pursuant to such an agreement, funds may, but are not required to, be borrowed throughout the term of the agreement (as extended) up to the total amount permitted under the agreement. When funds borrowed under the agreement are repaid, the

amount so repaid may once again be borrowed, so long as the outstanding aggregate principal amount borrowed is no more than the total amount permitted, here \$2,000,000,000 under the 364-day credit agreement.

10. Under the terms of the agreement, the credit sublimit is a maximum amount that can be borrowed by each borrower under the credit facility agreement. The sublimit amounts for ComEd, PECO, and Exelon are \$200,000,000, \$800,000,000 and \$1,000,000,000, respectively. These sublimits can be adjusted. *See* Exhibit A at § 2.04(c).

11. Upon entry into the credit agreement, Exelon paid an initial fee, referred to as an "upfront fee," of \$1,938,750 for the credit agreement. In addition, throughout the term of the credit agreement (as extended), Exelon will pay "facility fees." The current facility fees associated with ComEd's sublimit are between ten and twenty basis points, based on ComEd's long-term senior secured non-credit-enhanced debt ratings. The facility fees are payable on each Bank's commitment amount, irrespective of actual borrowings under the credit agreement, quarterly in arrears on the last day of each March, June, September and December, and on the termination date (as extended) of the credit agreement.

12. The credit agreement provides that the Banks may, under certain conditions, make advances to ComEd from time to time in an aggregate outstanding principal amount not to exceed \$200,000,000. Under the credit agreement, each of the Banks has made a commitment to fund a specified portion of ComEd's credit sublimit of \$200,000,000. Bank One is one of the nineteen Banks that have made commitments under the credit agreement. Bank One's current commitment to ComEd under the credit agreement is for \$18,250,000, or 9.125% of ComEd's credit sublimit total. Under the credit agreement, three other banks have also made commitments to ComEd in the amount of \$18,250,000, and fifteen banks have made commitments in lesser

amounts. The credit agreement does not allow ComEd to favor Bank One, or any other financial institution, over the other Banks.

13. Under the credit agreement, ComEd has the option to choose from two types of borrowings — a “Eurodollar Rate” Advance or a “Base Rate” Advance. If ComEd selects a Eurodollar Rate Advance, ComEd will pay a rate per annum equal to the sum of the London interbank market rate (i.e., “LIBOR”) for each applicable Interest Period plus the Applicable Margin (between ten and twenty basis points based on ComEd’s long-term senior secured non-credit-enhanced debt ratings) in effect for ComEd. If ComEd selects a Base Rate Advance, ComEd will pay a fluctuating interest rate per annum which shall at all times be equal to the higher of (a) the Prime Rate and (b) the sum of 0.5% per annum plus the Federal Funds rate in effect from time to time.

14. The credit agreement contains a provision allowing ComEd to request extensions thereto. The Banks are not be obligated to extend the credit agreement and may reject any request for an extension. The credit agreement will be extended if a majority of the Banks under the credit agreement agree to such extension.

15. ComEd has evaluated the relevant terms, conditions and costs of the other credit options available to it and has determined that entry into the 364-day credit agreement is preferable.

16. The affiliated relationship between ComEd and PECO, ComEd and Exelon, and ComEd and Bank One, has had no effect on ComEd’s evaluation of whether to seek approval of the 364-day credit agreement.

17. Approval of the credit agreement under the circumstances set forth herein will result in an economical source of revolving credit which ComEd needs to ensure that it can

continue to conduct business and meet its obligations under the Act. Accordingly, the public would be inconvenienced by the granting of this Verified Petition.

18. This facility is required to support commercial paper. ComEd has not and does not expect to draw on the facility.

19. ComEd requests expedited consideration of this Verified Petition and further requests that a hearing in this matter be waived.

20. The supporting testimony of Charles S. Walls, Director of Cash Management for Exelon Business Services Company, is attached hereto as Exhibit B and incorporated herein by reference.

21. ComEd's proposed draft order is attached hereto as Exhibit C.

WHEREFORE, Commonwealth Edison Company respectfully requests that the Illinois Commerce Commission give its consent for Commonwealth Edison Company to enter into the credit agreement attached hereto.

Respectfully submitted,

COMMONWEALTH EDISON COMPANY

By: Robert E. Berdelle
ROBERT E. BERDELLE
Vice President and Chief Financial Officer

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November 16, 2001

STATE OF ILLINOIS)
) SS:
COUNTY OF COOK)

VERIFICATION

Robert E. Berdelle, first being duly sworn upon oath, deposes and says he is the Vice President and Chief Financial Officer of Commonwealth Edison Company, an Illinois corporation; that he has read the above and foregoing Verified Petition by him subscribed, and knows the contents thereof; and that the facts set forth therein are true and correct to the best of his knowledge and belief..


ROBERT E. BERDELLE

SUBSCRIBED and SWORN to
before me this 16th day
of November, 2001.


NOTARY PUBLIC



ILLINOIS COMMERCE COMMISSION

Petition pursuant to Section 7-101 of the Public
utilities Act for consent to enter into a credit
agreement to which affiliated interests are parties.

) 01-_____

PLEASE TAKE NOTICE that on this date we have filed with the Illinois Commerce Commission, 527 East Capitol Avenue, Springfield, Illinois 62706, Commonwealth Edison Company's Petition For Consent To Enter Into A Credit Agreement To Which Affiliated Interests Are Parties pursuant to Section 7-101 of the Public Utilities Act.

G. Darryl Reed

One of the Attorneys for
Commonwealth Edison Company

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